

FY 2008 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: UNEMPLOYMENT INSURANCE AGENCY **PROGRAM:** UNEMPLOYMENT INSURANCE

TIMELINE: October 1, 2007 through September 30, 2008

PROGRAM MISSION STATEMENT

Everything we do is aimed at providing the highest quality unemployment insurance services, ensuring the economic growth of Michigan – its employers and its workers.

FUND SOURCE:

U.S. Department of Labor, Unemployment Insurance Operations
Reed Act funds

LEGAL BASIS:

Public Law 104-208 Funding Provisions for State UI Administration activities

PROGRAM STATEMENT

The Unemployment Insurance program is administered under state laws in compliance with federal laws and regulation. Established in 1935, its purpose is 1) to pay temporary partial compensation to unemployed workers for periods of involuntary unemployment; and 2) to stabilize the economy by maintaining the spending power of the workers while they are between jobs.

The Agency includes the following four Divisions:

Customer Service

The Customer Service Division has three (3) Remote Initial Claim Centers (RICC). The RICC are located in Detroit, Grand Rapids, and Saginaw. Through these centers, the agency accepts claims for unemployment insurance benefits from unemployed workers, determines if the unemployed worker qualifies for benefits, and authorizes payments when applicable.

Benefit Services

The Benefit Services Division is comprised of two offices – External and Internal Benefit Services.

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External Benefit Services – The External Benefit Services units and offices provide outreach to external customers. Also, responsible for designing and implementing statewide surveys, providing UIA information to Michigan Works! Agency centers and overseeing Problem Resolution Offices equipped with technological tools and resources as well as face-to-face interaction between UIA employees and their customers. These units and offices are:

Multi-Claimant Unit

Multi-Claimant Unit handles unemployment claim cases that involve separations of more than one person on the same date, for the same reason such as misconduct, voluntary leaving, theft, assault & battery etc., all labor disputes, lockouts and shutdowns, all school denial periods including releases for school bus drivers, coaches, food service workers etc. Multi Unit also handles company buy outs, severance packages, vacation and holiday pay, exempt employment (city officials) and DLEG employees.

Employer Customer Relations Unit

The Employer Customer Relations Unit answers employer questions regarding benefit eligibility, protests and appeals, employer account and other general unemployment and tax-related questions. The unit mails out requested forms and brochures to its customers. In addition, the unit refers customers to other departments and agencies as needed.

Problem Resolution Offices

The Problem Resolution Offices resolves customer problems and makes automated resources available to claimants. There are six offices located throughout the state in Gaylord, Grand Rapids, Lansing, Livonia, Marquette and Saginaw. The offices provide a means of resolving problems and an opportunity to use information to improve UIA services. PROs identify system-related issues thereby improving timeliness and efficiency of services provided to customers.

Administrative Analysis & Federal Reports Unit

The Administrative Analysis & Federal Reports Unit produces and transmits more than 20 federally mandated reports. The unit also gathers and analyzes economic and demographic data and generates program statistical reports which are provided on weekly, monthly quarterly and annual schedules as well as on request to internal customers, other state and federal agencies, legislative bodies, news media, etc.

Based on historical and current data, the unit formulates projections including (but not limited to) the Trust Fund, claims activity and workload. Forecasts are often requested when proposed or pending legislation may impact any of these items.

Reports include:

- Claims and Payment Activities
- Benefit Appeals & Time Lapse
- Characteristics of Insured Unemployed
- Payment time lapse data

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- Nonmonetary Determinations Activities & Time Lapse
- Contribution Operations (trust fund)
- Combined Wage data
- Alien Claims Activity

- Overpayment Detection and Recovery
- Worker Profiling
- Experience Rating (employer)

Wage Record Information & Reports Unit

The Wage Record Information & Reports Unit is responsible for wage database maintenance, all processes related to employers' quarterly Wage Data Reports (form UIA 1017), Friend of the Court sequestrations, System Alien Verification of Entitlement (SAVE), wage corrections (form UIA 1099) and crossmatch activities. The Agency uses wages reported by employers to calculate unemployment benefits.

The following methods are used to provide wage information to the UIA:

- Employer Quarterly Wage Detail Report (Form UIA 1017)
- 1017e (Web based) – generally 50 employees or fewer
- Electronic File Submission (EFS) – generally more than 50 employees
- 3480 magnetic tape cartridge – generally more than 50 employees

The Wage Record Unit is also the central processing location for processing wage verifications that are received from mortgage companies, housing agencies, and other government entities requesting information regarding unemployment payment and wages.

Surveys & MWA Outreach Unit

The Surveys & MWA Outreach Unit prepares, tabulates and evaluates survey instruments of internal and external Agency customers, and prepares reports of the results for the Executive Office. The Agency's Profiling and Reemployment Services Program also is centralized in this unit. The program identifies unemployed workers most likely to exhaust their claims and, in partnership with the Bureau of Workforce Programs and Michigan Works! Agencies makes reemployment services available to them. This unit also coordinates Agency Rapid Responses to employers planning layoffs. Other tasks handled by this unit include preparing monthly Management Information Systems Reports and fulfilling requests for Employer Posters and Employer Handbooks.

Advocacy Program

The Advocacy Program provides information, upon request, and subject to certain restrictions, consultation and representation at no cost to unemployed workers and employers, at the Office of Appeals and/or Board of Review levels of appeal. Advocates, who are independent

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contractors and have signed a contract with the Program, provide the consultation and representation services. Program staff will provide information about the appeal process, fact sheets about most common issues and a listing of Advocates.

Internal Benefit Services – The Internal Benefit Services supports unemployment insurance functions by monitoring automated service delivery systems, operating employer filed claims, developing procedures, processing overpayment collections, reviewing the quality of claims processing and decisions, and processing special program claims. The units and offices under Internal Benefit Services are:

Benefit Accuracy Measurement (BAM) Unit

The Benefit Accuracy Measurement Unit operates the Paid Claims Accuracy (PCA) and Denied Claims Accuracy (DCA) programs, which are Federal quality control programs. Random samples of paid and denied unemployment insurance claims are audited weekly to determine the accuracy of the benefit payment or denial of benefits. The BAM Unit assesses the application of state and federal laws, policies, and procedures on claims audited to determine compliance. Recommendations are made for program improvements.

Tax Performance System (TPS) Program

The Tax Performance System reviewer assesses the quality of the Unemployment Insurance Tax Operations. Employer tax rates, status information, benefit charges, tax payments and accounts receivables are reviewed annually and recommendations are made for program improvements.

Benefit Payment Control (BPC) Unit

The mission of the Benefit Payment Control Unit is to preserve the integrity of the Unemployment Insurance (UI) Trust Fund through the use of crossmatch programs, and identify prevention and detection techniques for improper benefit payments. The BPC Unit detects UI benefit overpayments and issues fraud and non-fraud redeterminations.

Benefit Overpayment Collection (BOC) Unit

The purpose of the Benefit Overpayment Collection Unit is the collection of improperly paid benefits and the maintenance of benefit overpayment accounts.

Unemployment Insurance (UI) Benefit Procedures Unit

The UI Benefit Procedures Unit develops and revises benefit procedures and forms. The unit provides answers to questions about UI procedures and conducts the quarterly Benefits Timeliness and Quality (BTQ) review of nonmonetary determinations.

Federal Desk

The Federal Desk in UI Benefit Procedures allows or denies claims filed under the Unemployment Compensation for Ex-military Personnel Program (UCX). It also assists with claims filed by federal civilian employees under the Unemployment for Civilian Federal Employee (UCFE) Program and responds to federal employer charge protests.

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Combined Wage Claim (CWC) Unit

The Combined Wage Claim Unit administers Michigan's program that allows unemployed workers to increase benefit entitlement by combining wages earned in two or more states.

Interstate Program Coordinator (IPC)

The Interstate Program Coordinator acts as a liaison between Michigan and other states and the Department of Labor in regards to Interstate Benefits Claims and Combined Wage Claims. The IPC monitors reports and updates the IB Handbook and Vessel listing for Michigan. The IPC assists UIA employees with problems on Interstate Benefits and Combined Wage claims, and assists in implementing new applications on the ICON (Interstate Connection) system.

TRA (Trade Readjustment Allowance)/Special Programs Unit

The TRA/Special Programs Unit processes claims, and issues decisions and benefit payments to laid-off workers eligible for Trade Readjustment Allowances (TRA) or Alternative Trade Adjustment Assistance (ATAA). These are workers unemployed due to increased imports or a shift in production to another country.

Benefit Systems Control

The Benefit System Control Unit acts as a liaison between users of the Unemployment Insurance Agency's automated systems and the Department of Information Technology. Their function is extremely complex in that it involves three separate yet interdependent systems: Benefits, Tax, and Income and Eligibility Verification System (IEVS).

Employer Filed Claims (EFC) Unit

The Employer Filed Claims Unit ensures the processing of initial claims electronically filed for unemployed workers by their employers. EFC provides centralized support for all employer and unemployed worker participants by resolving and providing procedural and technical guidance. This unit is responsible for all phases of the employer filed claims process.

Central Benefit Control (CBC) Unit

The Central Benefit Control Unit provides production support to the Unemployment Claims (UI) filing process by reviewing and handling exception work items. These items must be processed timely as they affect UI benefit payments. The unit is responsible for work items that need employer account numbers identified for filing purposes, that require adjustments to current and prior benefit payment amounts, and that require the restoring of benefit week balances due to restitution decisions.

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Trust Fund, Tax and Field Audit Division

The Trust Fund, Tax and Field Audit Division is responsible for collecting taxes, administering and monitoring services to employers, investigating tax fraud, maintaining the integrity of the trust fund and identifying employer non-compliance.

Trust Fund Accounting Section (TFAS)

TFAS performs accounting and financial reporting functions for the Unemployment Insurance Trust Fund. These functions include cash management, reconciliations, data integrity analyses, and Federal and State reporting. The section is also responsible for processing post office returned checks, lost/stolen affidavits, forgery affidavits, and refund checks to employers and claimants.

Tax Office

The Tax Office administers the unemployment tax provisions of the Michigan Employment Security Act and services about 221,008 contributing and 5,229 reimbursing employer accounts. It determines an employer's tax liability, tax rate, collects current and delinquent unemployment taxes, and certifies employer wage and tax data to the Internal Revenue Service (IRS). The Tax Office also certifies job applicants who are eligible target group members to qualify employers for the WOTC Credits from the IRS.

Field Audit Section

The Field Audit Section performs audits and investigations to ensure employers comply with the MES Act. Audits are randomly selected or based on referrals. The Section also resolves issues related to covered employment or "blocked" claims that require an investigation by a Field Auditor.

Special Projects

Special Projects is responsible for procedure writing, training, quality assurance, and acts as resource persons for Tax Office, Tax Enforcement, SUTA and Independent Contractor Units.

SUTA Dumping Unit

SUTA Dumping Unit is responsible for the detection of employers engaging in SUTA Dumping (unemployment tax avoidance to dump higher rate for a lower one), educating the employer community about the law prohibiting the practice, the statutory penalties and the harm it causes and enforcement of anti-SUTA Dumping provisions of the MES Act through audits and investigations.

Independent Contractor Unit

Independent Contractor Unit is responsible for identifying employers who may be misclassifying employees as independent contractors. This unit performs audits and investigations to bring employers into compliance and ensure that employers are in compliance with the Michigan Employment Security (MES) Act and Administrative Rules.

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Tax System Support (TSS)

Tax System Support (TSS) is a liaison unit between the business areas in Trust Fund, Tax & Field Audit and the Department of Information Technology (DIT). They also develop and/or update Tax Office forms, and provide customer support for the on-line services offered to employers.

Tax Enforcement Unit

The Tax Enforcement Unit is responsible for the collection of delinquent taxes, interest & penalties through the use of collection tools such as warrants. The Unit is also responsible for investigating employers referred from Field Audit, Tax, the Office of the Attorney General and the SUTA Dumping and Independent Contractor Units for noncompliance of the Michigan Employment Security Act and the Administrative Rules.

Office of Management Services

The Office of Management Services (OMS) Division serves as the liaison with DLEG on budget, finance, purchasing, contracts and human resource issues as well as the United States Department of Labor (USDOL) regarding the Federal budget and grant funding. These functions are handled in the Central Support Unit. In addition, OMS is responsible for strategic planning, Training, Fraud, and the Integrity Unit. The unit is responsible for collection, investigating and analyzing data pertaining to all aspects of the agencies tax collection and benefit payment operations impacting all major functional areas within the organization. In addition, OMS is responsible for the Oakman Multi-Service Center which handles all of the mailing, printing, publishing and distribution for the UIA. The OMS Division also directs and implements special projects and services as liaison with other appropriate agencies to coordinate UIA activity.

Additional Agency Components (Offices)

Administrative Law and Rules Section – This Section provides interpretations of law for UIA staff and the public, drafts proposed legislation and administrative rules, analyzes the impact of proposed unemployment insurance legislation, provides education to the public through seminars and publication of the UIA Employer Handbook, advises staff in matters related to SUTA Dumping and Misclassification of Wages, and represents the Agency at selected administrative law hearings conducted by Administrative Law Judges and by the Michigan Employment Security Board of Review.

Attorney General – The office provides UIA with legal representation in court, prosecutes cases involving fraud, and seeks repayment of benefits.

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CUSTOMER IDENTIFICATION:

- Advocates
- Attorney General staff
- Citizens of Michigan
- Communities
- Congress counterparts in the states
- Courts
- Departments within the State of Michigan
- Director Stanley Pruss and DLEG
- Employer representatives
- Employers
- Federal agents
- Governor Jennifer Granholm
- Michigan Works! Agencies
- News media
- Partners with other governmental entities
- State Legislature
- UIA employees
- Unemployed workers and the underemployed and Interstate unemployed
- Union
- Universities
- United States Department of Labor (USDOL)

CRITICAL GOALS/MAJOR OBJECTIVES

Program Goals:

GOAL 1

Technology Enhancements

The objective/goal will be completed by the projected date.


1.1 Objective: Work Distribution Center Goals

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Image and index all incoming mail the day it is received in the RIC centers, for all non peak months and within two days of receipt for peak months (July, December, and January) by March 31, 2007 assume the imaging responsibility of Form 1020 from Graphic Sciences by June 30, 2007.

<u>Highlight Status</u>	<u>Strategy</u>
 Green	<p>Establish a new unit to handle the imaging and indexing, which will require hiring twenty three employees. Improve the availability of records for the agency staff by completing this function internally. Meet with UIDTC office to determine the requirements to image and index the Tax Form 1020.</p> <p>Comment:</p> <p>The Work Distribution Center is up and running and imaging all benefits mail. Because of budgetary issues and staffing issues, the imaging of the 1020s has not been moved into the WDC and will be incorporated into a new goal for this year. This objective is complete.</p>

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1.2 Objective: Auto Coder

To provide a more accurate occupational code for unemployed workers filing claims for purposes of employment and job placement, as well as for the statistical data necessary for state economic development. Development and install software by June 30, 2007.

<u>Highlight Status</u>	<u>Strategy</u>
 Amber	<p>Develop plan to introduce Auto-coder into the business process and technical infrastructure by meeting with IT staff to discuss implementation issues and system deployment alternatives. Contact USDOL ETA for delivery of the Auto- Coder software. Develop and install Auto Coder application software on the UIA Claims Entry Desktop Application by 6/30/2007.</p> <p>Comment:</p> <p>The server procurement process delayed the implementation of Auto Coder. The server is received; however, DIT resources to get the server ready was not immediately available. There are also dependencies on other states departments. The revised estimate of completion is June 2009.</p>

1.3 Objective: SNAP (System Non-monetary Adjudication Process) Phase I

Develop an automated adjudication logic decision system to improve the agency's timeliness and quality in the non-monetary determination process.

<u>Highlight Status</u>	<u>Comment:</u>
 Amber	<p>One of the nine applications in SNAP was in production in September 2008 – the ability for employers to enter responses to Fact Finding Questionnaires on-line through UIA Business Portal. The remaining eight applications are in the final stages of integration testing. Testing for the last remaining function, the upload of the determination date to the legacy system, will begin in November 2008.</p>

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1.4 Objective: Increase Usage of EFC Program

Continue yearly recruitment of employers for participation in the EFC program, in which employers file claims for their employees electronically during mass lay-off periods.

<u>Highlight Status</u>	<u>Strategy</u>
 Green	<p>A special marketing plan was developed for the purpose of increasing participation in the Employer Filed Claims (EFC) program. Implementation of the plan included the opening of the program to another tier of employers (other than those specifically meeting the criteria of the Act); letters to designated employers inviting them to participate; follow-up letters to those employers who had been previously contacted; revision of EFC informational package, on-site presentation and web site to provide more and better information about the program; and, on-site visits to interested employers to provide presentations and respond to questions.</p> <p>Comment: Even though no employers were added for this reporting period, the EFC program marketing and recruitment for new employers continues. We have an employer who has expressed interest and has begun testing file creation and transmission.</p>

1.5 Objective: WOTC System Upgrades

WOTC gives employers federal tax credits for hiring certain workers who typically have difficulties in finding employment. The unit is to be updated from paper intensive processes to automated processes by 09/30/2008.

<u>Highlight Status</u>	<u>Strategy</u>
 Amber	<p>Meetings were held to diagram the unit's workflow. Suggestions were made to change the imaging system and to further automate the workflow process.</p> <p>Comments The unit's imaging system was changed with improvements that have helped to streamline the workflow process. This project was completed August 25, 2008. Discussions with the Department of Human Services to automate manual verifications for welfare, food stamp and supplemental income target groups took place in 3rd quarter 2008. The project is expected to be completed March 31, 2009.</p>

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1.6 Objective: Employer Database Cleanup – 2 year project

Identify inaccurate information on database and manually review to determine errors and correct. Submit service requests to prevent any further bad data from being entered. To be completed by 09/30/2009.

<u>Highlight Status</u>	<u>Strategy</u>
 Amber	<p>Through the data validation project, continue to identify inaccurate information on the database, request the appropriate system changes to prevent any further bad data from being entered, and manually review existing data errors to determine the appropriate corrections.</p> <p>Project expected completion date is September 30, 2009.</p> <p><u>Comments</u></p> <ul style="list-style-type: none">▪ Tax populations 1, 2, and 3 have already been completed. Populations 4 and 5 are currently being addressed.


GOAL 2

System Redesign

The objective/goal will be completed by the projected date.

2.1 Objective: Unemployment Insurance System Redesign

Continue to work with the Department of Information Technology and the Department of Management and Budget on completing the RFP process.

<u>Highlight Status</u>	<u>Strategy</u>
 Green	<p>The System Architectural Assessment was completed in April 2008. The current technical environment is fully documented. A Technical Options document, with cost analysis, for moving forward with the development of a fully integrated UIA system was also delivered as part of this assessment. A new vendor was secured to perform the Business Assessment. Work is underway to complete the business requirements for the new system. The work should be completed in the first quarter of 2009.</p>

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GOAL 3

Integrity Initiatives

The objective/goal will be completed by the projected date.

3.1 Objective: Tax Collection Pilot

Evaluate the progress made on the Tax Collection Pilot Project through the review of tax collections made from October 2005 to September 2006. A report will be completed by 12/31/2006 to identify the most productive collection methods and future strategies that will allow for continued improvement in collecting outstanding tax debts. Implementation of the improved collection methods will be completed on March 31, 2007.

<u>Highlight Status</u>	<u>Strategy</u>
 Green	<p>Identify the most productive collection methods that will allow for continued improvement in collecting outstanding debt – telephone calls to employers, requesting initial payments prior to finalizing payment plans, special visits by employers and the mailing of Demand Letters have been identified as the most effective means to improve collections – completed December 31, 2006.</p> <p>Continued usage of the most effective means to collect taxes, coupled with the referral of accounts (above \$10,000.00) to the Enforcement Unit (personal contacts) surely will contribute to the Collection Unit's productivity.</p> <p>The complete relocation of the collectors for manageability is on hold until the change in the work distribution process is completed and implemented which is projected to be in March 2008.</p> <p>Comment: Currently, the collections staff is concentrating on collecting delinquent debts. A manual excel spreadsheet is currently maintained by the Collections Unit supervisor to document the collection actions taken on delinquent accounts. As part of the change in the Collections Unit, a General Office Assistant was assigned to the unit to handle the tracking of collections by examiners on June 2, 2008. The Collections Unit was made a separate unit and remained in the Tax office as of June 2, 2008.</p>

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3.2 Objective: Automated Department of Motor Vehicles (DMV) Crossmatch Program

As part of an identify theft prevention program, develop and implement an automated process for crossmatching driver's license data supplied by unemployed workers during claims filing to state driver's license records.

<u>Highlight status</u>	<u>Comment:</u>
 Green	The Michigan Department of State (MDOS) drivers license crossmatch was implemented in the first quarter of 2008.

3.3 Objective: Collection

Increase the number of legal referrals per collector per month to the Attorney General's Office to take judgment against new delinquent employers effective 1/1/2008. Develop a collaborative effort between the Collections Unit and Tax Enforcement Unit.

<u>Highlight Status</u>	<u>Strategy</u>
 Amber	<p>The Collections Unit has seven experienced collectors and just hired two additional collectors in September 2008, who are still in training. The manager of collections Unit will increase the number of legal referrals from the current two per collector each month to three per collector each month for a total of 21 legal referrals each month effective January 1, 2009 for the first six months. By the beginning of the second half of the year, the two new collectors will be full trained and the number of legal referrals will increase to 27 for each month.</p> <p>Identify parameters of accounts that should be referred to Enforcement.</p> <p><u>Comment:</u></p> <p>Every month effective January 2009, each collector will review 20 delinquent accounts and will identify the accounts that are candidate for legal referrals. These accounts will be maintained in an Excel spreadsheet for each collector. Before the end of each month, three civil suit letters will be mailed by each collector. Because the employer is given 30 days to cure the delinquency, while the collectors are waiting for 30 days, they will continue to review delinquent account to add to the inventory of reviewed delinquent accounts. After the 30 days period has expired and the employer fails to cure the delinquency, each collector will prepare the legal referral and submit to the collections manager.</p>

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
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	Discussions between Collections and Enforcement have begun and a draft process has been created and is expected to be finalized by 3/31/09.
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3.4 Objective: SUTA Dumping

Refine the LMI referral process to obtain referrals of possible SUTA dumping by 09/30/2008.

<u>Highlight status</u>  Red	<u>Strategy:</u> Enter into an agreement with Labor Market Information to provide UIA with referrals of employers potentially engaged in SUTA Dumping activities. <u>Comment:</u> Due to budgetary constraints <u>this objective is being cancelled.</u>
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3.5 Objective: Independent Contractor, 1099

Implement a 1099 management reporting system, increase percentage of misclassified wages audits to 50% of all field audits conducted, conduct audit reviews and estimate misclassification rates by broad industry, develop a methodology for targeting firms for audit selection, automate the 1482 'Request for Field Audit' distribution & assignment within the AWDS system, annually review & investigate IRS data of employers issuing 1099s and not register with UIA and aggressively monitor IRS data provided to the agency by 9/30/2008.

<u>Highlight status</u>  Amber	<u>Strategy:</u> Work with DIT to develop a database to reporting purposes. Increase the number of referrals for audits. Use database to track audit reviews and industry types. Reviewing state resources & other national statistics on industries the Agency can look into. Work with DIT to implement 1482 automation. Annually review & investigate IRS data of employers using 1099s <u>Comments:</u> A separate adjustment code to record financial adjustments as a result of Independent Contractor 1099 audits was added to the automated system March 2008. Database was completed in 2006. Modifications to database to be complete by 3/31/09.
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	<p>Educate Agency employees on misclassified wages by 9/30/09. The use of a database to track audit reviews & industry type is continuous and on-going. Review of state resources & other national statistics to be complete by 6/30/09. Automation testing of the 1482 was completed 10/08/08. Full implementation to be complete by 3/31/09. An automated bulk audit generation process is currently under development. A workflow process within the AWDS system was implemented for this area June 2008. A service request to include information collected from Independent Contractor 1099 audits on the field audit automated screens has been submitted to DIT. This change is expected to be implemented by July 2009.</p> <p>Unit has begun reviewing and investigating IRS data since 2004 and will continue on an on-going basis</p>
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GOAL 4

Expanded Training

The objective/goal will not be completed by the projected date. Unable to come up with a completion date.

4.1 Objective: Tax Training


Objective: Complete training materials for all modules in conjunction with the Center for Learning & Development by 9/30/2008. Ensure that all staff has been trained and provide refresher training on an as-needed basis and when feasible, make available operating procedures on the Intranet for staff use for staff use by 9/30/2008. Refresher training for Tax Liability Examiners has begun and will be completed by 12-31-2007. Training material for the Tax Office and for the SUTA/IC Unit should be completed by 6/30/08. Tax Collections training material should also be completed by 6/30/08. Training material for Field Audit, TFAS, Enforcement and Tax is anticipated that this will be completed in FY2008.

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<u>Highlight Status</u>	<u>Strategy</u>
 Amber	<p>Update all training reference materials to include law changes and new issues Finalize all updated operating procedures for posting on Intranet. Complete procedures on Bankruptcy and Redetermination of Notice of Assessment (new) in Collections. Finalize procedures for Team Support. Center for Learning and Development is continuously working on modules and has brought in procedure writers from Saginaw to assist.</p> <p>Comment:</p> <p>Due to the number of training modules and lack of resources, the training modules for Tax will not be completed timely. Approximately 8 modules can be completed each year. As of this date 92 modules remain to be completed. Unable to come up with a completion date.</p> <p>Refresher training was given on Tax Rates, Tax Liability, Account Maintenance and Secretarial/Duty. Collection refresher training was completed in October.</p> <p>All staff, which included Tax Enforcement, SUTA/1099 and Field Audit, was trained on Tax related matters.</p> <p>Posting of Operating Procedures were not accomplished due to the fact that the review process has not been completed and all procedures will be posted at the same time.</p> <p>Training materials for the Tax Office were completed by 06/30/2008; however training materials for SUTA, IC, and Enforcement are still being developed with an anticipated completion date in FY2009. Tax Collections is 95% completed with an expected completion date by 12/31/2008. Field Audit is approximately 83% completed with an expected completion date of 03/31/2009.</p>

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4.2 Objective: Diversity Training

Provide diversity training for all agency employees utilizing a dialogue format with the purpose of allowing feedback, identifying and listing issues as well as areas of improvement.

<u>Highlight Status</u>	<u>Strategy</u>
 Green	<p>Develop diversity training for all agency employees utilizing a dialogue format with the purpose of allowing feedback, identifying and listing issues as well as areas of improvement. Fiscal year training will be completed by 12/21/2007.</p> <p>Comment:</p> <p>The Center for Learning and Development team created two Diversity Training modules. The first, titled, “Diversity – The Strength of Many; The Power of One” was four hours in length with a target audience of all UIA employees. Classes were scheduled from October 2007 through March 2008. The module incorporated dialogue, communications exercises, methods to identify issues as well as areas for growth and development.</p> <p>The second module, titled, “Diversity Management” was eight hours in length with a target audience of all UIA Supervisors and Managers. Classes were scheduled and held in August 2008. This module incorporated dialogue, communication exercises, and generations in the workplace, and peer to peer mentoring.</p>

4.3 Objective: MI-360 Leadership Development

Continue collaboration role with DLEG’s Human Resources Department relating to the development and implementation of the MI-360 Leadership Development sessions. Sessions shall be completed by September 30, 2008.

<u>Highlight Status</u>	<u>Comment:</u>
 Green	<p>This is the third year of MI-360 leadership development process; as such it is referred to as Cycle Three (3). The MI-360 New Leader Orientation classes were held in August 2008. MI-360 New Leader Feedback classes are scheduled from October – December 2008. The MI-360 Returning Leader Feedback classes are scheduled from November 2008 through January 2009.</p>

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PROGRAM: UNEMPLOYMENT INSURANCE


GOAL 5

Communications

The objective/goal will be completed by the projected date.


5.1 Objective: Publish updated UIA Claimant Handbook

Create a focus group of unemployed workers to review and make suggestions on a draft handbook in order to make the document more user friendly. Expected date of draft is January 15, 2007. Final copy ready for distribution on April 1, 2007.

<u>Highlight Status</u>	<u>Strategy</u>
 Green	<p>Suggestions were gathered for changes to the Claimant Handbook with the goal of making it more user friendly. These were distributed by handbook section to various parties for draft revisions.</p> <p>Comment:</p> <p>Due to other critical priorities and workload volume, the revised expected date of completion for distribution to unemployed workers filing new claims, March 2008, was not met. The Handbook was finalized and sent for setup November 3, 2008. The handbook proof is expected to be returned for review by November 17, 2008. The target date for printing and distribution is November 28, 2008.</p>

5.2 Objective: Operating procedures for Field Audit, TFAS, SUTA/Independent Contractor, Enforcement and Tax.

Complete fifty percent of the Tax Office Manual procedures by 12/30/06 and fifty percent by 12/31/07. All staff will receive updated procedures and. Operating Procedures will be posted to the intranet when completed.

<u>Highlight Status</u>	<u>Strategy</u>
 Amber	<p>Review and update fifty percent of the Tax Office manual procedures by December 2006, complete the remaining manuals by December 2007.</p> <p>Finalized updated manual procedures and post on the intranet operating procedures by December 2007.</p> <p>New functionality added to this unit is Quality Assurance. This entails a detailed review of multiple accounts and processes affecting those accounts.</p>

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	<p>Currently, Tax Office procedures are on target to be met by 12/31/07. Procedures for Collections and SUTA Independent Contractor are to be completed by 2nd quarter of FY 2008. Completion of procedures of Field Audit, TFAS and Enforcement will not be until late in FY 2008.</p> <p>Comment:</p> <p>This objective has been modified to exclude Manual procedures and concentrate on Operating procedures due to limited resources. It is anticipated that all staff will receive Operating procedures by 06/30/2009.</p> <p>Field Audit has completed 85% of procedures with an expected completion date of 03/31/2009.</p> <p>Trust Fund Accounting has completed 60% of procedures with an expected completion date of June 2009.</p> <p>The Tax Enforcement Unit will have 20% of the draft procedures completed by 03/31/2009.</p> <p>SUTA has completed 60% of procedures with an expected completion date of 03/31/2009.</p> <p>Independent Contractor procedures were completed April 2007.</p> <p>Tax Office procedures were completed 06/30/2008.</p> <p>AWDS and Solvency Operating procedures were completed October 2008.</p>
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5.3 Objective: Internal Communication Channel Improvements


Continued implementation with the internal communication committee regarding evaluating the committee's recommendations made in August 2005 for new internal communication pathways. Schedule semi-annual meetings (February and September) for the RICC improvements and internal communications.

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<u>Highlight Status</u>	<u>Strategy</u>
 Green	<p>Schedule semi-annual meeting (February and September) for the RICC improvements and internal communications.</p> <p>Comments:</p> <p>An internal communication committee meeting was not held during the designated time period; however, other improvements continue to be made. Improvements and revisions will be made to the agency's newsletter, The BUZZ. The agency continues to have training classes on communication (two classes in March and two classes in April.) Staff meetings continue to be held on a regular basis throughout the agency.</p>


GOAL 6

Customer Focus

The objective/goal will be completed by the projected date.

6.1 Objective: Promote UIA's Internet Functionality for Employers

Develop and execute an outreach plan to promote UIA's new and improved Internet functionality for employers using the Speakers Bureau, which involves identifying and training staff, develop packages and presentation material, and Speakers Bureau on the Internet. Expected completion date is 6/30/2007.

<u>Highlight Status</u>	<u>Strategy</u>
 Green	<p>Develop and execute an outreach plan to promote UIA's new and improved Internet functionality for employers using the Speakers' Bureau, to be completed by June 30, 2007.</p> <p>Comments:</p> <p>The Surveys & MWA Outreach Unit updated the Speakers Bureau presentation to include EWAM's increased functionality and a story about the upgraded EWAM services appeared in the Advisor. Also, the unit developed a marketing plan with most all action items completed. Those not completed, namely training of PRO staff in EWAM services, were bogged down by SOM restrictions on travel. Another action item</p>

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	involving use of a Tax Office database of employer email addresses, has been postponed by limited staff and financial resources and an Agency focus on higher priorities. Estimated completion date is November 2009.
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6.2 Objective: Expand On-Line Services Offered to Employers

Expand on-line services offered to employers to improve customer service and provide more self-help options. Expanded services will include on-line payment and reporting history, e-registration application, management/statistical reporting for web applications, quarterly tax (payroll) report file submission process, staff functions using web applications to provide assistance to employers, and amended tax (payroll) report process. Expected completion by 9/30/07.

<u>Highlight Status</u>	<u>Strategy</u>
 Amber	<ul style="list-style-type: none">➤ Viewing of an on-line report and payment history for the employer was added in November 2006.➤ eRegistration was updated in February 2007 to include the changes made to Schedule B as a result the SUTA dumping legislation from Section 22b of the MES Act.➤ Management/statistical reporting were expanded for the web applications in March 2007. The enhancements included reporting on Powers of Attorney submitted, employers who have selected the 1020/1020R Final Report indicator, address changes submitted, and a dollar total for payments received.➤ The quarterly tax (payroll) report file submission process has not been implemented due to the delay in obtaining the needed hardware. This is now expected to be implemented in fiscal year 2008.➤ The implementation of expanded staff functions for the web applications has been delayed to fiscal year 2008 due to the delay in obtaining the needed hardware.➤ The amended tax (payroll) report process has been delayed to fiscal year 2008 due to a change in priorities. The on-line discontinuance form (1772) was moved up in priority and is currently under development. This is expected to be implemented by September 2007.➤ An enhanced version of the view benefit charge statement application is being developed to allow successor employers the ability to view their predecessors' benefit charge statements. This is expected to be implemented by September 2007. <p>Comment:</p> <p>The quarterly tax (payroll) report file submission process was implemented in FY 2008 (November 2007).</p>

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	<p>The implementation of expanded staff functions for the web applications has been implemented in a pilot stage in the Tax Office as of July 2007. This was rolled out to all tax Office staff as of September 2007 and was possible with the current hardware in place.</p> <p>The on-line discontinuance form (1772) was moved up in priority due to DIT resource availability and is expected to be implemented by 2nd quarter of fiscal year 2008. The amended tax (payroll) report process has also been developed and is expected to be implemented by 2nd quarter of fiscal year 2008.</p> <p>The enhanced version of the view benefit charge statement application was implemented in July 2007.</p>
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6.3 Objective: Employee Recognition

Creating an effective employee motivation program or recognition program. Expected completion by March 2007.

<u>Highlight Status</u>	<u>Strategy</u>
 Green	<p>To establish guidelines and defining what is important to our agency right now and in the immediate future and how employees can be motivated to help with reaching specific milestones. Also, establish an effective employee recognition program that would inform employees exactly how they will be rewarded when their role(s) have helped the agency reach a goal.</p> <p>Comment:</p> <p>Employees are recognized for their accomplishments in the agency newsletter, The BUZZ, and the DLEG newsletter LEGWorks. The RICCs also have a newsletter where RICC employees are recognized for their accomplishments. Employees are also recognized during regular staff meetings.</p>

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6.4 Objective: Media Campaign

Establish the media strategy for a campaign to promote UIA's internet functionality for employers. Define strategic direction and the scope of the campaign including objectives/goals, media, creative/measurement strategies, and schedule parameters. Expected completion date is June 30, 2007.

<u>Highlight Status</u>	<u>Strategy</u>
 Green	<ul style="list-style-type: none">➤ Scope and participants have been determined. Monthly meetings with the participants to plan the campaign began in March 2007.➤ Marketing steps that have already been implemented – completed 03/31/2007.<ul style="list-style-type: none">• Email sent to existing web application users notifying them of the added functions.• Training of front-line staff about the web applications so that employers can be steered to the web applications.• Multiple Employer Advisor (UIA newsletter mailed to employers) articles on the enhanced on-line services.• Insert mailed to employers with quarterly tax (payroll) reports highlighting the new services.• Updates to the UIA website to highlight the new on-line functions.• Updates to UIA forms to notify the employer they can be filed through the web applications.• Taping of a Job Show segment was shown on local cable stations about the web applications in July 2007.• Additional marketing strategies identified and a plan for implementing them established by May 2007.• Roll out of media campaign by June 2007. <p>Comment:</p> <p>Due to the state's current budget situation, the marketing plan for fiscal year 2007 focused were on the no-cost initiatives. Presentations showing web services conducted at two Michigan CPA association meetings which were completed August 2007. A second Job Show taping was done and released in September 2008.</p>

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GOAL 7

Workload Management

The objective/goal will be completed by the projected date.

7.1 Objective: Adjudication Workload Management

Evaluate the Accepted Level of Performance (ALP) process, internal time and quarterly standards and process: Establish measurable goals to improve the adjudication process for a three-year period by 9/30/2007. Improve the Agency's score of the Federal Acceptable Level of Performance (ALP) for Non-Monetary Timeliness 60% starting in September of 2007. Validate the accuracy of the timeliness report and same day issues by 12/31/07.

<u>Highlight Status</u>	<u>Strategy</u>
 Green	<p>Hire and train additional staff by 12/31/06, and train and improve the adjudication skill of all 10 level examiners. Exceed the Federal ALP for Non-Monetary Quality by 1% by 3/31/2007. Send only experienced staff to BTQ scoring by 11/1/2006. Complete refresher training on most common BTQ errors by 12/21/2006.</p> <p>Comment:</p> <p>The agency has developed a three year plan to achieve the Federal ALP for Non-Monetary timeliness. The Agency made tremendous progress toward meeting the Federal ALP through March 2008. From April forward the Agency's workload has increased an average of 30% per month. Also in June 2008, the Agency implemented Debit Cards and Direct Deposit, this significantly increased call volume as customers get used to the new system. Finally in July 2008, a federal benefit extension was passed and the Agency had to deal with over 200,000 claims. In addition to these events the Agency did not fill vacancies due to budgetary issues. All these issues have resulted in the elimination of the workload gains. This goal will be modified and continued to next year's plan, FY 2009.</p>

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7.2 Objective: Tax Workload Management

Change the current work distribution process in the Automated Work Distribution System (AWDS) to improve the control of incoming work and comparatively distribute work to available positions.

<u>Highlight Status</u>	
 Green	

PROCESSES AND SERVICES

Processes and services are developed based on the following:

- The state unemployment rate
- Priorities and timeframes established by and/or originated from Governor Granholm, Director Stanley Pruss, Deputy Director Susan Corbin, U.S. Congress, USDOL, and the State Legislature.
- Collaboration with other states and implementation of federal mandates
- Gathered and analyzed customer feedback based on the ease and ability to use the technology.
- Laws, rules, regulations, procedure manual, reports, claimant and employee feedback
- Employer and Claimant Customer Relations hotlines
- UIA staff requests
- The Advocacy Program
- Claimant and employer Surveys
- Customer phone contacts
- Customer written communications
- Comment cards

PROGRAM EFFECTIVENESS (Current Year)

Program Goals/Metrics

See attached charts

FY 2008 Annual Program Performance Measures

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Performance Measures

Timeliness, Accuracy, and Customer Satisfaction as applied to:

- Federal Reports
- Answered Customer Calls
- Acceptable Level of Performance
- Tax Collections
- Benefit Payments

PROGRAM IMPROVEMENTS MADE IN FY 2008

- **Misclassification of Employees** – The misclassification of employees is a problem that impacts employers, workers and government. UIA is taking action to correct the problem in Michigan through the Governors Executive Order No. 2008-1, Interagency Task Force on Employee Misclassification. UIA is now partnering with the Workers' Compensation Agency, Wage & Hour Division and Department of Treasury investigating the misclassification of workers. Data is also received from the IRS to investigate inappropriate use of 1099s.
- **Questionable Employment Tax Practice (QETP) initiative** – Michigan was the first state to sign the memorandum of understanding (MOU) with the IRS. The MOU is part of the joint federal-state QETP initiative, which provides for the sharing of tax and audit information between UIA and IRS. The agreement will help improve compliance with state and federal regulations governing employment and unemployment tax and will reduce fraudulent filing and the misclassification of workers as independent contractors. UIA participated in a face to face meeting with federal and state members for further discussion on sharing of information between states and federal authorities. The IRS has centralized the referral process to one location. Quarterly meetings continue with QETP members.
- **State Unemployment Tax Act (SUTA) Dumping** – UIA's SUTA Unit helps to protect the integrity of Michigan's UI Trust Fund. There were 258 referrals through September 2008. There was \$1,170,633.92 in payments received and \$23,163,581.32 assessed tax loss for the year through September 2008. The agency continues its education outreach with the employer community on the need to report business transfers in whole or in part.
- **Debit Card** – In 2007, UIA started the Debit Card/EFT process and successfully implemented the systems into production in June 2008. The systems better serve unemployed workers who are receiving unemployment benefits. The second phase was implemented in November 2008 to only offer debit cards and electronic fund transfers (EFT) as the methods by which unemployed workers filing new claims receive their benefits. These methods will save UIA postage costs and will greatly reduce the issue of lost and stolen benefit checks.

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- **Work Opportunity Tax Credit (WOTC) Program** – UIA implemented changes to the federal WOTC program, which was renewed through August 2011. WOTC gives employers federal tax credits for hiring certain categories of workers who typically have difficulties in finding employment. The Small Business and Work Opportunity Tax Act of 2007 reauthorized and expanded the program to cover more workers.
 - **Employer Web Account Management (EWAM)** – UIA added new functions to EWAM, the on-line service to employers. EWAM gives employers 24/7 online access to their UI tax accounts and various UI tax functions. The newly added functions are: electronic file-submit process for tax Forms UIA 1020 and UIA 1020R; a discontinuance of business form; employer protests of tax determinations; an amended tax report process; and a bulk payment-submit process to work with the file-submit process. In addition, UIA staff now has access through the Internet to review and use the same information that employers can access. The electronic file submit process was implemented November 2007. The discontinuance of business, employer protests of tax determinations, and amended tax report process were implemented September 2008. The bulk payment submit process will be implemented by February 2009.
 - **Automated Work Distribution System (AWDS) Redesign and Upgrade** – The redesign significantly simplifies the way work is electronically distributed to staff with better monitoring and reporting. Staff electronically extracts work from these queues for completion. These changes have allowed UIA to reduce paperwork and speed service to unemployed workers. The redesign of the Tax AWDS is scheduled for 2008. The redesigned and upgraded AWDS system was implemented June 2008.
 - **Tax Collection Pilot** – Methodologies and processes tested in the pilot have become standard operating procedures for the Collection Unit as of June 2008.
 - **Expand On-Line Services Offered to Employers** – The Trust Fund, Tax and Field Audit Division (TFTFA) continues to give the employer community on-line functionality that is a win-win for UIA and our customers. Employer survey comments from state-wide seminars are confirming that the on-line processes are wanted, time-saving and easy to use.
 - **Media Campaign** – Response to UIA's Employer seminars have been overwhelming and there are waiting lists to attend future sessions. Employers appreciate the opportunity to meet with agency personnel and provide feedback concerning issues of importance to them.
 - **Tax Workload Management** – In June 2008, the changes to the Tax Office were successfully implemented with staff receiving training and the employer community receiving mailings with Tax Office overview, new telephone numbers and email addresses.
 - **CAMS (Case Audit Management System Phase II)** – CAMS is the development and implementation of an automated system with a data base that will allow the sharing of information between various agency cross match programs and integrity investigations, in order to identify fraud patterns and major integrity issues. This tracking system will also be designed to provide comprehensive integrity reports. Phase II, which enhances the Benefit Fraud Investigation's current individual case tracking system is complete and fully operational on 08/15/2008.

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- **NICE (Neptune Intelligent Computer Engineering) Revision** – The NICE software is a quality system that records telephone calls and associated staff system interactions. Managers are able to review calls, using the quality standards document and then coach staff on ways to improve quality and customer service. UIA completed a revision of the quality standards document that allows for better coaching and feedback to staff.
 - **Automated Department of Motor Vehicles (DMV) Crossmatch Program** – As part of an identity theft prevention program, develop and implement an automated process for cross matching driver's license data supplied by unemployed workers during claims filing to Secretary of State as a method to prevent identity theft. Program was implemented the first quarter of 2008.
 - **Print in Warehouse** – Print in warehouse was a project started and finished during the fiscal year 2008 that eliminates most of the manual effort of mailing fill-able forms in the RIC Centers. This project takes the major fill-able forms and sends them to the warehouse where automated machines can be used to mail them and it automatically sends a copy to FileNet. This new process has saved printing and manual effort in the RIC Centers and allowed the Agency to use its automated mail machines in the warehouse to handle most of the fill-able forms.
 - **Diversity Training** – To have a more cohesive and receptive workplace, where acceptance is part of normal team function - UIA offered and completed diversity training for all staff and managers in 2008.
 - **Leadershift Training** – Leadershift Training's objective is to enhance the knowledge, competencies and skills of the management staff in UIA. Four groups have completed the training, additional sessions were suspended due to budget restrictions. During this period, in lieu of these sessions, members of management have been referred to no-cost Civil Service manager training courses, Webinars, and e-learning sources. Skill builder sessions have been developed by Center for Learning and Development staff in response to specific leadership requests.
 - **MI-360 Performance Feedback Survey Process** – Five (5) MI-360 Feedback sessions for new DLEG leaders were held during this period. Twenty-four(24) MI-360 Feedback: "A Second Look" sessions were held during this period for returning DLEG leaders.

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PROGRAM IMPROVEMENT PLANS FOR FY 2009

Goal 1: Technology Enhancements

1.1 Work Distribution Center Goals

Objective: Create a new workflow in iCapture based on Employer Number. This would allow the Work Distribution Center to index by employer number in addition to social security number. Tax documents use employer number. Estimated completion date is June 2009.

1.2 SNAP (System Nonmonetary Adjudication Process) Phase 2

Objective: Issuance of automated non-monetary determinations on designated adjudication issues without staff intervention, following fact-finding responses from both parties via the UIA website. Phase 2 will continue throughout FY 2008.

1.3 CAMS (Case Audit Management System Phase III

Objective: Develop and implement an automated system with a data base that will allow the sharing of information between various agency cross match programs and integrity investigations, in order to identify fraud patterns and major integrity issues. This tracking system will also be designed to provide comprehensive integrity reports. In FY 2008, the goal is to implement the next two phases of CAMS. Phase II, which enhances the Benefit Fraud Investigation's current individual case tracking system, was completed and fully operational on 08/15/2008. In Phase III, the Integrity Initiatives group will use CAMS to generate reports to review UIA information for specific integrity areas of interest, such as multiple claims with the same/nearly the same addresses or same telephone numbers used to file multiple claims.

1.4 Tape Drive Elimination

Objective: Elimination of tape drives and substitution of another method for transmitting and receiving employer, vendor, and federal/state agency data as a cost savings and to update the technology used. Estimated completion date is before the end of FY 2009.

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1.5 TFTA Streamline blocked claim function between RIC Centers and Field Audit Division

Objective: Utilizing AWDS, an electronic workflow for this process is being developed and is expected to be functioning by 12/31/2008.

Goal 2: System Redesign

2.1 System Rewrite

Objective: The agency's System Integration project will continue throughout FY 2009. The project goal is to upgrade as well as integrate the Benefits, Adjudication, and Tax systems into one cohesive system. This involves the integration of all current systems throughout the entire unemployment insurance program.

A system architectural team was secured to document UIA system to propose best technical options for a system rewrite. This work was completed in April 2008. A business architectural team is in place performing a business assessment and finalizing requirements for the integrated system. This work will be completed in the 1st calendar quarter of 2009. Evaluation of other state UIA systems is underway to identify a transfer solution that is the best fit for Michigan. A draft Request for Proposal (RFP) to secure technical development resources is completed. The System Rewrite Team will be a combination of vendor and state employees.

Goal 3: Integrity Initiatives

3.1 TFTA Automation of Field Audit Data

Objective: System changes to collect and report data for field audit investigations. These changes will also automate the ETA 581 report data for field audit and allow for data validation of this area. These changes are expected to be implemented by 09/30/2009.

3.2 Department of Corrections (DOC) Crossmatch

Objective: Two automated crossmatch programs: 1) Crossmatch records of inmates incarcerated in the Michigan Department of Corrections with unemployment benefit payment records to detect inmates fraudulently collecting unemployment benefits; 2) The other is a re-employment data collection program that identifies for the Youth Offender Program those participants who have returned to work by crossmatching participants with UIA wage record data. This identifies youth offenders who have become employed. Completion date on this goal depends on resources from the other agency, but estimated completion date is by November 2009.

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Goal 4: Expanded Training

4.1 Succession Planning

Objective: Establish long –term (three years) talent development proposal to include options such as training, mentoring program, job shadowing and experiential learning challenge by 06/30/2009.

4.2 Leadership Development Training

Objective: Provide leadership training to enhance the knowledge, competencies and skills for management staff and as a management preparatory process for non-management staff in UIA. Groups 1-4 have completed the course series. Groups 5 & 6 shall be completed by 12/31/2009.

4.3 MI-360 Leadership Feedback Process

Objective: Provide MI-360 Leadership Feedback sessions following the roll-out of the MI-360 survey. Feedback sessions will begin within eight weeks following the survey roll-out and will be completed by 12/30/2009.

4.4 Instructional Technology

Objective: Utilize new technology to improve training initiatives. Create a minimum of four (4) hours of training utilizing development software by 06/31/2009.

4.5 TFTA Continuous Training

Objective: As new legislation is enacted, technological changes occur, new Tax interpretations are issued and new issues arise concerning employers and/or claimants in FY 2009, prepare and conduct up-to-date training concerning these issues. Conduct refresher training on FUTA Credit Reduction and FUTA Credit by 09/30/2009. Conduct refresher training on a one to one basis as needed.

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Goal 5: Communications

5.1 TFTA Operating Procedures

Objective: Develop Operating procedures concerning FUTA Credit Reduction and State FUTA Credit by 12/31/2008.

5.2 Internal Communication Channel Improvements

Objective: Schedule semi-annual meetings (February and September) for the external and internal communications improvements for the agency.

Goal 6: Customer Focus

6.1 Conduct Employer Benefit Survey

Objective: To measure employer perceptions of Agency performance and delivery of services to employer and unemployed worker customers, conduct a survey with a sample of 10,000 employers and compare the results with the last employer survey. A focus group was assembled with management and staff from many parts of the Agency. After a couple of meetings, the focus group came to a consensus on a set of prioritized questions, per Director Stephen Geskey. These questions were formatted into a draft survey accompanied by a memo comparing the pro's and con's of an online survey vs. a survey mailed to a sample of 10,000 employers. The Surveys & MWA Outreach Unit is awaiting Executive Office approval to proceed with the survey and whether it will be an online or mailed survey instrument. Estimated completion date is June 2009.

6.2 TAA Study

Objective: Michigan is participating in a US Department of Labor study on the effectiveness of the TAA/TRA Program – training programs, income support, trends, etc. In Michigan, this study involves UIA, the Bureau of Workforce Programs and the Michigan Works! Agencies. An initial database sweep was completed and sent to the contractor on 01/09/2008 for analysis. Two more database sweeps will be performed in 2009 and 2010. The UIA portion of the study will be completed following data base sweeps unless USDOL requests additional information.

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6.3 Media Campaign

Objective: Continue to develop low cost media strategies to inform employers of new on-line functionality, law changes, new processes etc. This will be on-going as business practices dictate.

Goal 7: Workload Management

7.1 Adjudication Timeliness

Objective: UIA expects to meet the USDOL acceptable level of performance of 80% for non-monetary separation and non-separation determinations by the end of fiscal year 2010; 60% for 2009.

7.2 Postal Soft

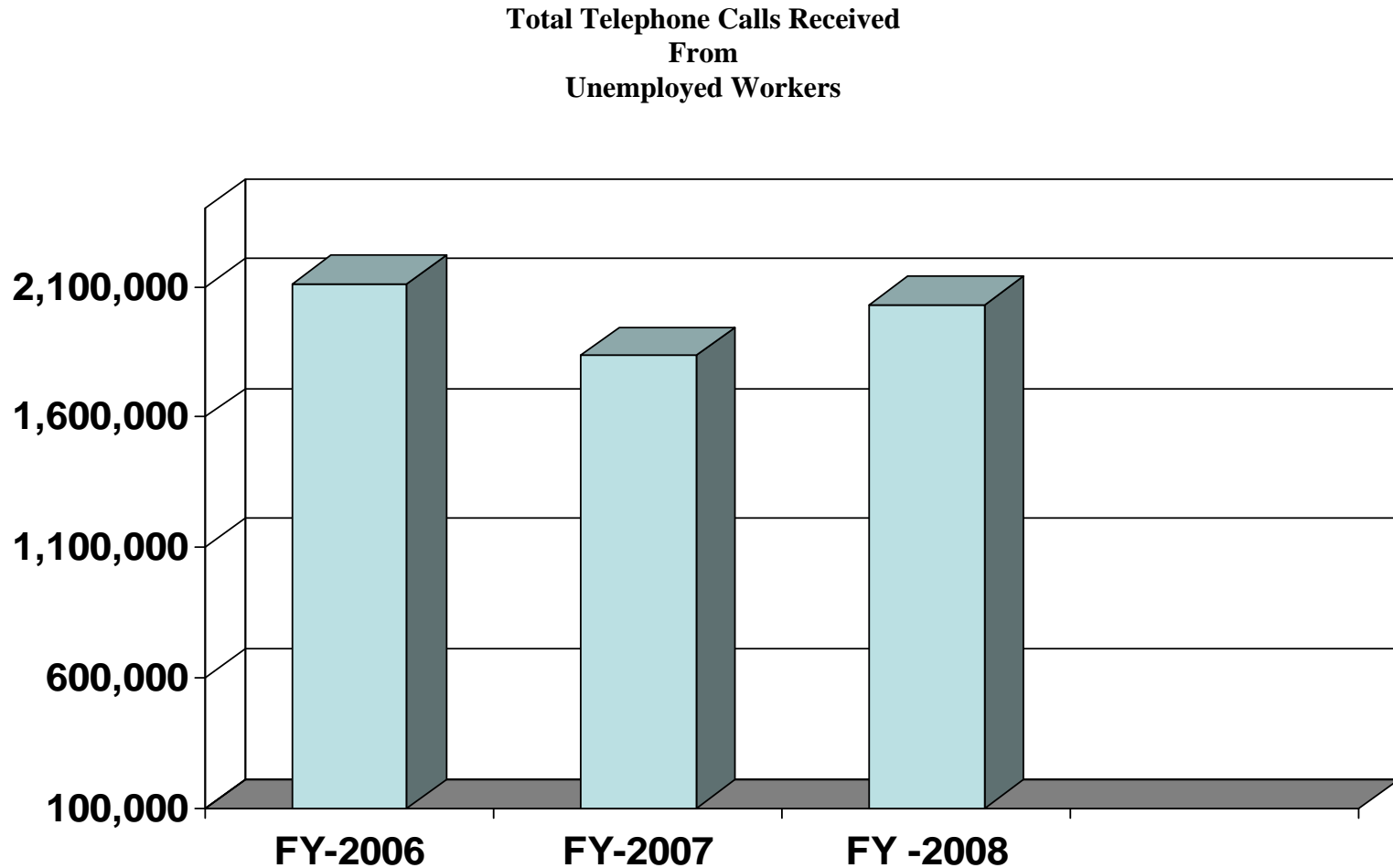
Objective: An automated program that checks addresses provided by unemployed workers when filing by Internet and through staff assisted claims. The program ensures that those addresses conform to postal regulations for correctness and validity. The program will only allow mail to be sent to valid addresses resulting to a reduction of returned mail and the resources and costs associated with reviewing and resending those mails. The completion date is dependent on the allocation of DIT resources from other agency. Estimated completion date is November 2009.

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Comments:

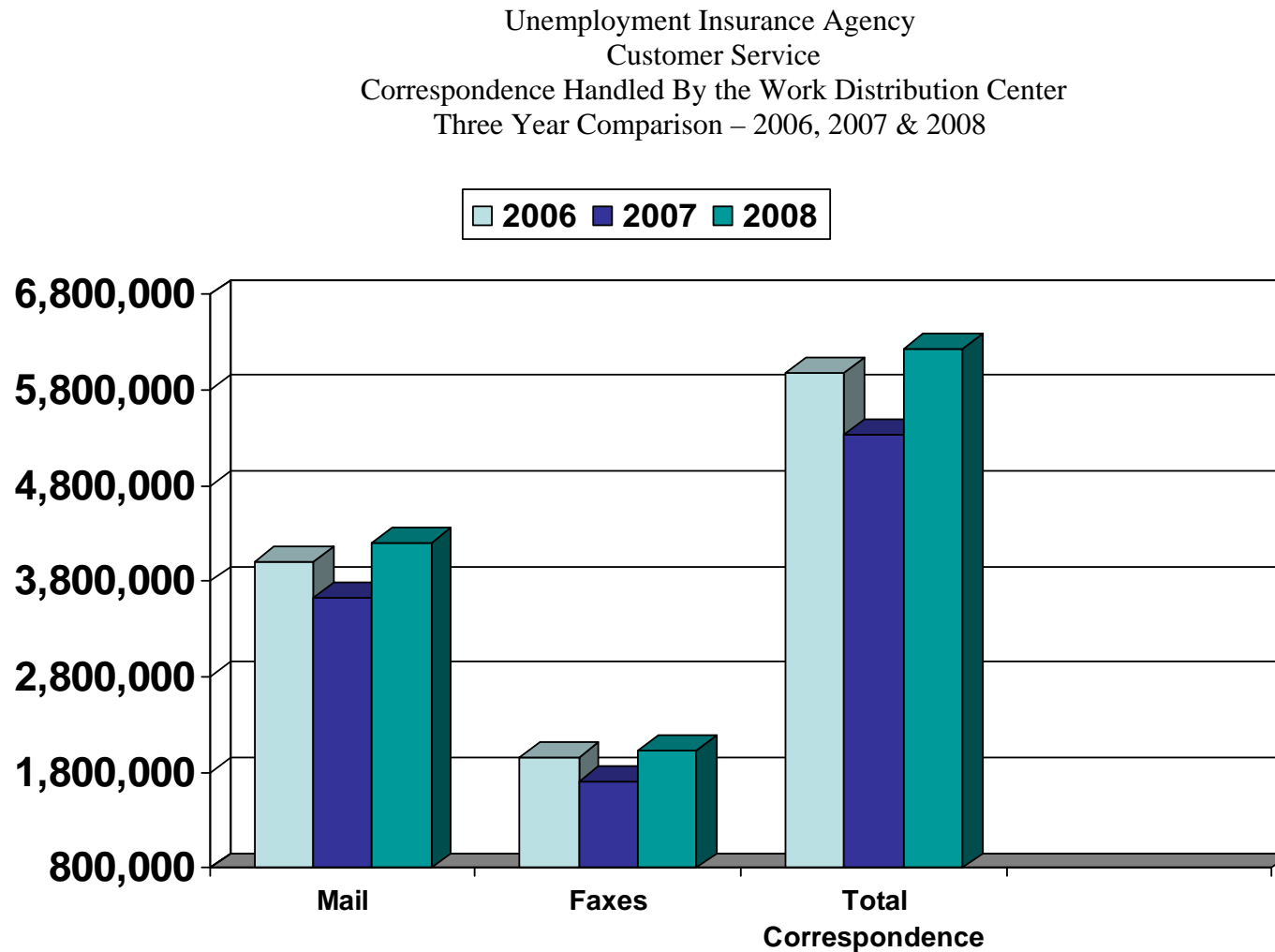
Ninety three percent (93%) of total telephone calls were answered, with the exception during the three peak weeks.

FY 2008 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: UNEMPLOYMENT INSURANCE AGENCY

PROGRAM: UNEMPLOYMENT INSURANCE



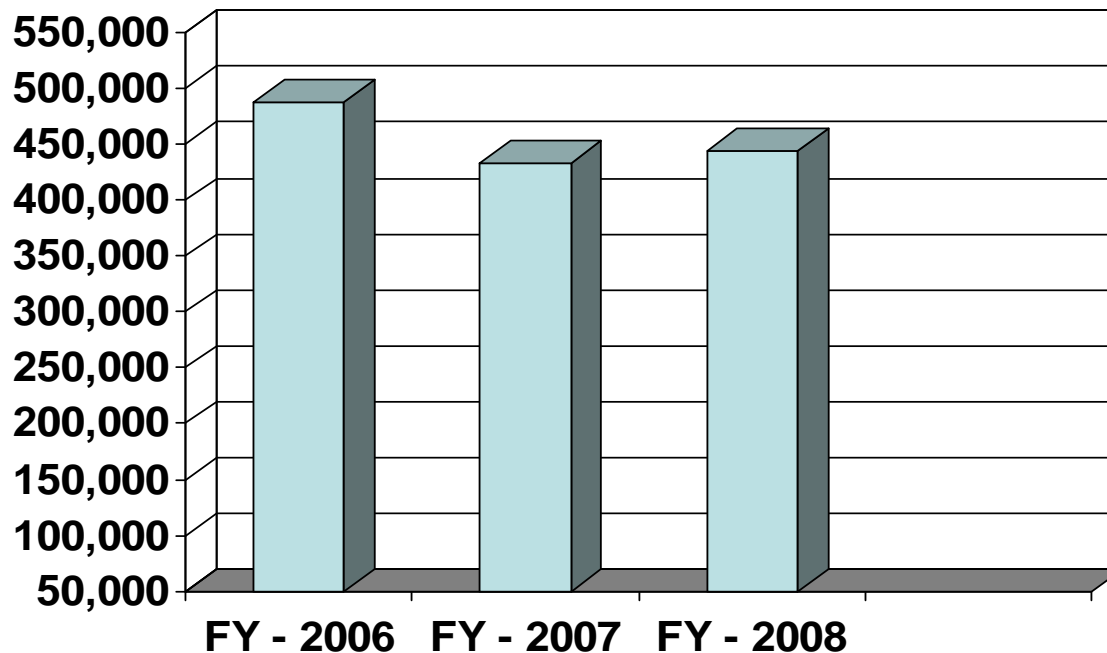
FY 2008 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: UNEMPLOYMENT INSURANCE AGENCY

PROGRAM: UNEMPLOYMENT INSURANCE

Unemployment Insurance Agency
Customer Service
Adjudication Cases Closed
Three-Year Comparison 2006, 2007 & 2008



Comments:

The determination of unemployed workers eligibility for unemployment insurance (UI) benefits is a critical UI program function. When issues arise that may affect an unemployed workers past, present or future benefits, the agency is responsible for determining the unemployed worker's eligibility for those benefits. Such determinations may also affect an employer's liability for benefit charges, depending on the type of issue adjudicated. The agency's work impacts the rights of both the unemployed worker and employers. Through the non-monetary determination process, all necessary facts concerning an issue must be gathered from unemployed workers and employers, or a reasonable attempt must be made to obtain such facts and a determination is rendered to ensure that payments are made when due.

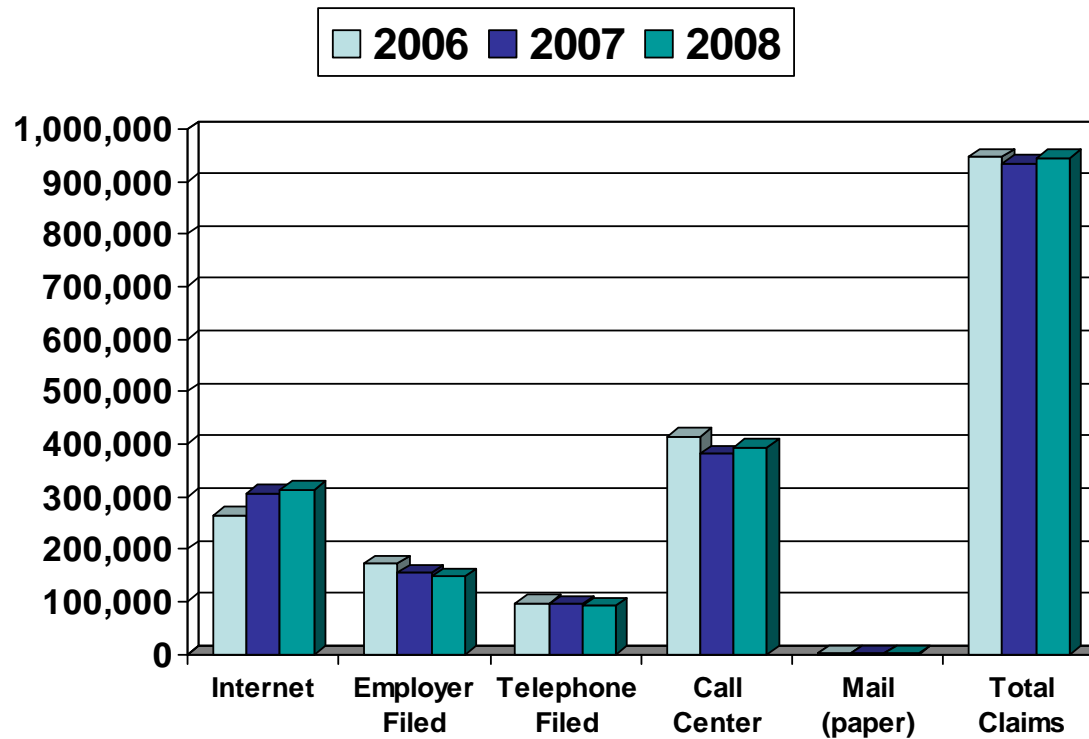
FY 2008 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: UNEMPLOYMENT INSURANCE AGENCY

PROGRAM: UNEMPLOYMENT INSURANCE

Unemployment Insurance Agency
Claims By Filing Method
Three Year Comparison – 2006, 2007 & 2008



* Call Center- Claims filed by telephone required an agent's support to complete.

FY 2008 Annual Program Performance Measures

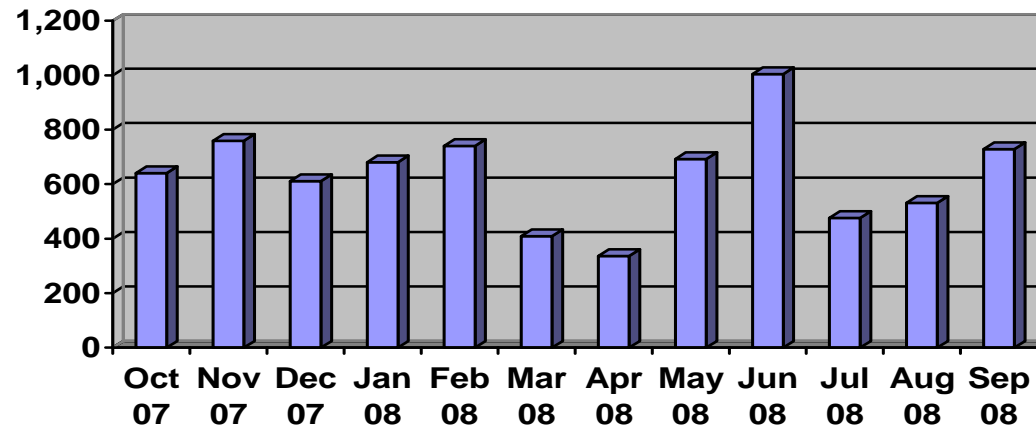
DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: UNEMPLOYMENT INSURANCE AGENCY

PROGRAM: UNEMPLOYMENT INSURANCE

Trade Readjustment Allowance (TRA) Activity Fiscal Year 2008

TRA Initial Claims



Total Initial Claims FY 2008, 7,609											
Oct 07	Nov 07	Dec 08	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	Jul 08	Aug 08	Sep 08
641	759	611	681	740	409	336	692	1,004	476	531	729

Source: Experienced UI Workload Report. Data Provided by the UI Administrative Analysis and Federal Reports Unit.

FY 2008 Annual Program Performance Measures

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APPROPRIATION UNIT: UNEMPLOYMENT INSURANCE AGENCY **PROGRAM:** UNEMPLOYMENT INSURANCE

Total Weeks Claimed FY 2008: 204,606

TRA BENEFITS PAYMENTS					
FY 2007			FY 2008		
QUARTER	TOTAL WEEKS PAID	TOTAL QUARTERLY PAYMENTS	QUARTER	TOTAL WEEKS PAID	TOTAL QUARTERLY PAYMENTS
QTR 1	56,069	\$18,177,722	QTR 1	54,117	\$17,320,564
QTR 2	55,736	\$18,240,212	QTR 2	60,683	\$20,391,216
QTR 3	54,048	\$17,797,281	QTR 3	62,000	\$20,773,956
QTR 4	52,168	\$17,186,341	QTR 4	27,806	\$9,186,976
FY 2007 TOTAL	218,021	\$71,401,556	FY 2008 TOTAL	204,606	\$67,672,712

Source: The ETA 563 Report. Data Provided by the UI Administrative Analysis and Federal Reporting Unit.

FY 2008 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: UNEMPLOYMENT INSURANCE AGENCY **PROGRAM:** UNEMPLOYMENT INSURANCE

Tax Office

WORK OPPORTUNITY & WELFARE-TO WORK TAX CREDIT PROGRAM TOTAL APPLICATIONS PROCESSED FOR FY07

Qtrs	Apps Approved	Apps Denied	Incomplete Apps	Total apps by quarter	Total apps 1st & 2nd Half FY
4/06	4,530	6,923	172	11,625	23,158
1/07	4,696	6,655	182	11,533	
2/07	4,660	7,183	135	11,978	22,012
3/07	4,276	5,187	571	10,034	
Total	18,162	25,948	1,060	45,170	

WORK OPPORTUNITY & WELFARE-TO-WORK TAX CREDIT PROGRAM TOTAL APPLICATIONS PROCESSED FOR FY08

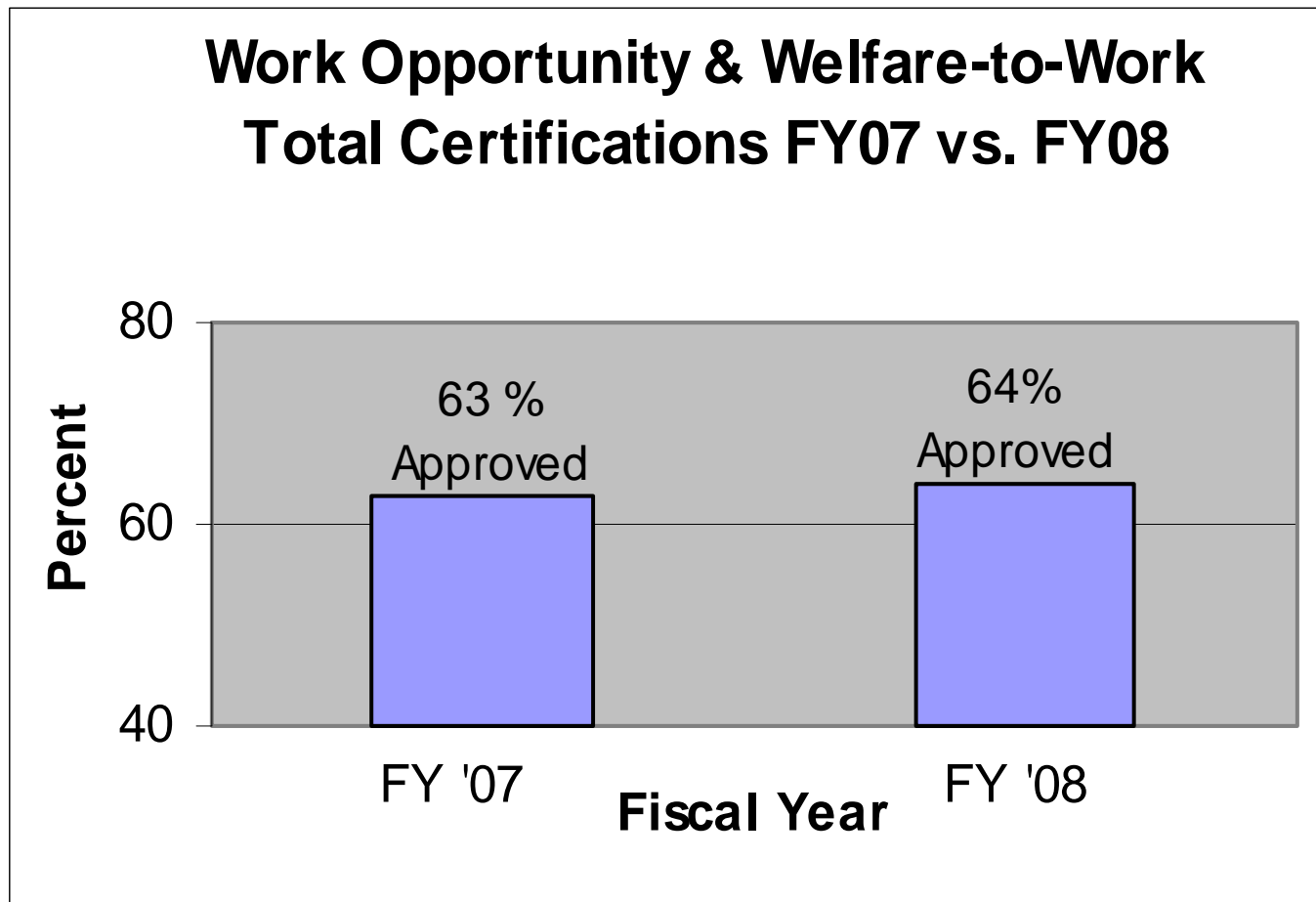
Qtrs	Apps Approved	Apps Denied	Incomplete Apps	Total apps by quarter	Total apps 1st & 2nd Half FY
4/07	5,745	5,090	328	11,163	23,064
1/08	6,265	5,199	437	11,901	
2/08	7,615	6,210	1,153	14,978	26,799
3/08	5,381	5,406	1,034	11,821	
Total	25,006	21,905	2,952	49,863	

FY 2008 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: UNEMPLOYMENT INSURANCE AGENCY

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FY 2008 Annual Program Performance Measures

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CHALLENGES FOR FY09 and BEYOND:

- Staff Resources – Current budget issues do not allow for full staff replacement. The challenge is to maintain service levels and timeliness with the current resources.
- Postage Reduction – The agency's federal postage funding decreased from FY2008 to FY2009 and includes a \$418,572 reduction. This further decline in postage funding (from FY 2007 level) will require major planning for changes that will lessen the need for postage usage. Implementation of postage reduction plans to align costs with funding is currently occurring. These plans involve service, process, and system changes without interruption in service to UIA's customers, unemployed workers and employers.
- Debit Card/EFT Project – Effective November 10, 2008, the paper check option will no longer be available to claimants filing new claims or claimants changing their payment options. The initiation and implementation of a conversion from "paper benefit checks" issued to unemployed workers to the use of "debit cards and EFT" for payment of unemployment benefits will be a challenge due to its complexity, customer impact and the aggressive schedule. This project also has a significant impact on the agency's postage reduction goals.
- Systems Rewrite – The agency has begun the process to rewrite the benefit, adjudication and tax systems. The challenge will be to continue the rewrite project, acquiring necessary resources and staying on schedule with available funding. The current systems face critical risks due to its age within the next year due to support and service delivery issues.
- New legislation addressing SUTA Dumping and Misclassification.
- Trust Fund solvency, addressing negative balance employers, tax rates.
- Educate employers on the FUTA Credit Reduction and the State FUTA Credit.
- Bringing delinquent employers into compliance.
- Dealing with other Federal/State governmental agencies in the area of information-sharing.
- Develop equitable working relationships in the achieving cooperation on joint audits.

FY 2008 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: UNEMPLOYMENT INSURANCE AGENCY

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- Analyze items going into Error Suspense to identify strategies for preventing the delay in posting tax reports and/or payments to employer accounts.